

Agency Overview

Our Mission

Protect the Public by Ensuring that Gambling is Legal and Honest.

Our Vision

Anticipate, Innovate and Excel.

Our Values

Integrity, Professionalism, Respect and Diversity.



*Created by:
Washington State Gambling Commission
Communications and Legal Department
December 2003*

BACKGROUND

The Commission's Legislative Mandate

The Washington State Gambling Commission (WSGC) was established in 1973 by the Legislature under the Gambling Act. By law, the Commission is charged with establishing rules so that the public has an opportunity to engage in limited charitable and social gambling without fear of organized crime infiltration or the potential for fraud by professional gamblers.

In 1992, the Legislature added the responsibility to negotiate tribal/state compacts for Class III casino gambling and to implement all agreements reached with the Tribes.



Jurisdiction

The agency maintains concurrent jurisdiction with local law enforcement agencies to investigate all reports of gambling violations.

Agency Funding Source

WSGC is a non-appropriated agency and is funded through licensing fees and regulatory fees paid by licensees and tribal governments. Therefore, citizens who obtain gambling licenses are supporting our services, not tax dollars. WSGC's budget for the 2003-05 biennium was \$29.6 million.

WHO WE ARE

WSGC is an independent state agency. As required by the Gambling Act, five citizens are appointed by the Governor, with the consent of the Senate, to act as part-time Commissioners for single six-year terms.

Current Commissioners

Liz McLaughlin, Chair
Term expires June 2007
Alan Parker, Vice Chair
Term expires June 2009
Curtis Ludwig
Term expires June 2006
George Orr
Term expires June 2005
Janice Niemi
Term expires June 2008

Four members of the Legislature act as ex officio members. Ex officio members do not vote, except for purposes of approving tribal gaming compacts.

Current Ex Officio Members

Senator Margarita Prentice
11th District
Representative Cheryl Pflug
5th District
Representative Alex Wood
3rd District
Senator Shirley Winsley
28th District

The Commission appoints an executive director. The executive director appoints agency staff.



Of the 188 full-time positions authorized, over 95 are commissioned to enforce gambling laws.

The Washington State Gambling Commission is divided into six Divisions

<p style="text-align: center;">Business Office</p> <p>Fiscal planning and budgeting, accounting, ID stamps, contracting, purchasing, vehicle fleet operations, and facilities management.</p> <p style="text-align: center;">Human Resources and Training</p> <p>Provides comprehensive services in recruitment, hiring, training and development, compensation, and safety. Administers employee programs that include quality, staff recognition, benefits, ADA, FMLA, and FLSA.</p> <p style="text-align: center;">Information Technology</p> <p>Maintains agency databases, computer technology and support, agency web-page design, and agency network system.</p> <p style="text-align: center;">Licensing Services</p> <p>Processes initial applications, annual renewals, and changes to applications.</p>	<p style="text-align: center;">Communications and Legal Division</p> <p><u>Legal Department</u> – Reviews case reports and initiates administrative action for noncompliance of laws and rules.</p> <p><u>Communications</u> – Creates two licensee newsletters (six issues each year) and responds to questions from the legislature, media, and general public.</p> <p><u>Financial Reporting Services</u> – Processes quarterly activity reports, compiles statistics and publishes Licensed Operator’s Activity Report.</p> <p><u>Rules Coordinator</u> – Coordinates changes to gambling rules. Notifies stakeholders of proposed rule changes. Permanent member of the agency’s rules team.</p>
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Operations	
<p><i>Electronic Gambling Lab</i> Tests electronic gambling equipment for compliance and integrity.</p> <p><i>Field Operations</i> Regulates all non-tribal gambling activities by conducting inspections, reviews, and investigations. Field staff provides technical assistance on gambling operations and works with numerous licensee groups.</p> <p><i>Special Investigations Unit</i> Investigates reports of illegal or criminal gambling activities. Performs undercover work as necessary.</p>	<p><i>Tribal Gaming</i> The Tribal Gaming Unit works with each tribe’s tribal gaming agency to monitor Class III (Nevada/casino style) tribal gaming activities.</p> <p><i>Licensing Investigations:</i> <u>Financial Investigations Unit</u> – Reviews financial background information to determine eligibility for licenses and conducts post licensing investigations and nonprofit qualification reviews. <u>Criminal Intelligence Unit</u> – Performs criminal history background investigations of license applicants and information on gambling activities that may involve criminal violations.</p>

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WHAT WE DO

WSGC regulates the following activities:

- ♠ Punch boards and Pull-tabs
- ♠ Bingo and Joint Bingo Games
- ♠ Social Card Games, including House-banked Card Games
- ♠ Commercial & Nonprofit Amusement Games (carnival games & crane games)
- ♠ Raffles
- ♠ Fund-raising Events (Reno Nights)

- ♠ The WSGC's tribal gaming unit works with each tribe's tribal gaming agency to co-regulate the tribal casinos

**WSGC does not regulate
horse racing or the state lottery.**

In addition, WSGC regulates and/or controls these activities:



- ◆ Business promotional contests of chance
- ◆ Sports pools and turkey shoots
- ◆ Golfing and bowling sweepstakes
- ◆ Members only social card and dice games at charitable/nonprofit organizations
- ◆ Dice or coin games for music, food, or beverages. This activity is operated only by businesses selling food or beverages.

Typical Illegal Gambling Activities Investigated

- ♣ Bookmaking - accepting bets on sporting events & charging a fee on all losing bets.
- ♣ Illegal card or dice games - illegal if a person charges or collects a fee beyond personal winnings. These games are legal if no fee is collected.
- ♣ Loansharking related to gambling activities



- ♣ Animal fights that involve betting, such as dog or cockfights.
- ♣ Owning, transporting, or operating slot machines, video pull-tabs, or other similar electronic devices.

Indian Tribal Casinos

There are 29 federally recognized Indian tribes in the state of Washington. Twenty-seven of these tribes have successfully negotiated a tribal/state compact to offer casino style (Class III) gaming. Sixteen of the tribes are operating one casino and the Puyallup Tribe is operating two casinos.

These compacts address regulatory and jurisdictional issues for such gaming. As of January 2002, the state has certified 10,000 individuals to work in the gaming sector of these tribal casinos, 5,300 of these individuals are currently certified.

RULE MAKING PROCESS

Commission rule adoptions follow state legal requirements and include opportunities for public input while rules are being developed. After rules are officially proposed, three or more public hearings are held. Written comments can be made at any time by sending them to the Lacey office, attention Rules Coordinator.

SCOPE OF LICENSED GAMBLING ACTIVITIES

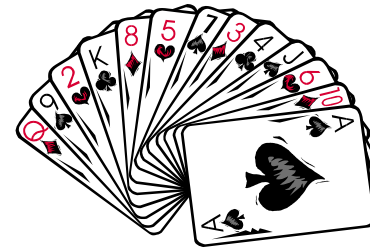
Active licenses as of June 30, 2003

Punch boards and Pull-tabs	1,952*
Amusement Games – operators	100*
Amusement Games – locations only	938*
Raffles	626
Bingo	258
Card Rooms – revenue not generated	166
Card Rooms – revenue generated	109
Fund-Raising Events	30
Individuals Licensed	6,581**

* includes commercial and charitable operators

** includes card room employees, distributors, distributor representatives, manufacturers, manufacturer representatives, service suppliers, service supplier representatives and gambling managers

With about 190 full-time employees, geographically dispersed across the state, WSGC regulates about 4,200 licensed gambling activities and about 6,500 licensed individuals employed in the non-tribal gambling industry.



REVENUES GENERATED BY GAMBLING

Taxes Reported by Gambling Operators

The state does not collect a gambling tax.

RCW 9.46.110 allows local cities or counties to tax gambling receipts. The maximum limitations are set forth in the law and are listed below.

Licensees reported a total of \$43,774,245 paid in local gambling taxes for fiscal year ending June 30, 2003.

Activity	Maximum	Basis
Card Rooms	20%	Gross Receipts
Raffle	5%	Net Receipts; The first \$10,000 cannot be taxed
Bingo	5%	Net Receipts
Punch boards and Pull-tabs – Commercial	5% 10%	Gross Receipts, or, Net Receipts Chosen via local Ordinance
Punch boards and Pull-tabs – Charitable	10%	Net Receipts
Amusement Games	2%	Net Receipts; however, not to exceed actual enforcement costs

*Net Gambling Receipts for the Year ended June 30, 2003

Punch boards and Pull-tabs	\$135,849,103
Bingo	\$ 29,488,730
Commercial Amusement Games	\$ 18,730,493
Card Rooms	\$248,767,764
Raffles	\$ 4,076,743
** Other	\$ 82,456
<u>Fund-Raising Events</u>	<u>\$ 56,801</u>
Combined regulated activities	\$437,052,090

*Gross receipts less prizes paid = net receipts

**Nonprofit amusement games and bingo at agricultural fairs.



CONTACTING US

For more information, please visit our website or call us. The most effective way to forward your comments to the Commission is by e-mail, fax, or U.S. mail.

The Commission holds monthly meetings to discuss changes to rules, licensing

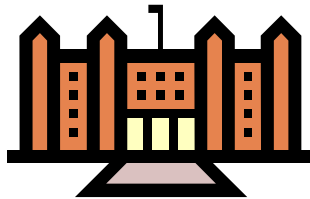
issues, etc. These meetings are open to the public and licensees and the public are encouraged to attend. Commission meeting agendas, including rules and license reviews, are posted on the agency website two weeks prior to each meeting.

Furthermore, the agency bi-monthly newsletter is posted on the website. However, if you would prefer to have hard copies of the agenda or newsletter mailed to you, please send your request to the Communications and Legal Department.

Headquarters and Records Center

Mailing Address

Post Office Box 42400
Olympia, WA 98504-2400
Fax: (360) 486-3631
TDD: (360) 486-3637



www.wsgc.wa.gov

Location

4565 7th Avenue SE
Lacey, WA 98503
(360) 486-3440
(800) 345-2529

Extensions at Headquarters Office

Administration	3447	Administrative Cases – Hearings	3465
Commission Meeting Agenda	3447	Financial statistics, quarterly & yearly activity reports	3474
Media	3466	Public Disclosure Requests:	
Newsletter	3466	-General information from license files, case reports, administrative charges and final orders	3529
License Application Requests	3440	- Tribal: Class III Gaming Compacts and 2% community contributions	3453
Status of License Application (General)	3440	Pre-license Financial Investigation	
Record Keeping Forms	3440	- Nonprofit and Charitable Organizations	3562
Mandatory Training Schedule	3440	- House-Banked Card Rooms	3559
Rule Changes	3466	- Other Commercial Businesses	3562
Problem Gambling	3468	Tribal Negotiations	3449
I.D. Stamps (Business Operations)	3489	Tribal Compact Implementation	3586
Human Resources	3460	Sweepstakes – Contact the field office closest to you	
Field Operations	3580		
Raffles - Operational questions	(509) 662-0435		

If you have any questions or wish to report any illegal activity in your area, please contact your local field office.

Everett Office

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